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Please find below and/or attached an Office communication concerning this application or proceeding.

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/881,533
Filing Date: June 14, 2001
Appellant(s): JOHNSON ET AL.

John F. Letchford
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed June 26, 2007 appealing from the Office action mailed December 23, 2004.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

WITHDRAWN REJECTIONS

The following grounds of rejection are not presented for review on appeal because they have been withdrawn by the examiner. The rejection of claims 156-170 under 102 (b) have been withdrawn by the examiner.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,016,479	TARICANI, JR.	1-2000
2002/0116302	WILMES ET AL.	8-2002
6,282,571	Wolf et al.	8-2001
5,592,611	MIDGELY	1-1997
6,370,580	KRIEGSMAN	4-2002
6,298,373	BURNS	10-2001
6,219,692	STILES	4-2001
5,825,884	ZDEPSKI	10-1998
6,223,209	WATSON	4-2001

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

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Claim Rejections - 35 USC §102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. §102 that form the basis for the rejections under this section made in this Office Action:

A person shall be entitled to a patent unless –

a. the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

b. the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States. . . .

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 156-170 are rejected under 35 U.S.C. §102(b) as being anticipated by Taricani, Jr. (U.S. 6,016,479)(“Taricani ‘479”). Taricani ‘479 discloses the claimed invention including collecting the taxes at the sale (column, 12, ~ lines 1-40).

Claim Rejections - 35 USC §103

The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

Patentability shall not be negated by the manner in which the invention was made.

Claims 156-213 are rejected under 35 U.S.C. §103(a) as being unpatentable over Taricani '479.¹ It is the Examiner's principle position that the claims are anticipated because of the inherencies noted above.

However if not inherent, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Taricani '479 to actually include the "cumbersome procedure." Such a modification would have allowed the states to actually collect the tax monies owed to them.

Additionally, if the sever structure was not inherent, it too would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Taricani '479 to include the claimed server structure. It is the Examiner's position that absent evidence of new or unexpected results, it is not inventive in terms of patentability to take one or more servers ($S_1, S_2, S_3, \dots S_N$) which perform one or more tasks ($T_1, T_2, T_3, \dots T_N$) and add (or subtract) an additional number of servers (X) to perform all or part of the same tasks by allocating the tasks between the various servers (*i.e.* S_1 and S_{N+1} perform T_1 ; S_2 and S_{N+2} perform T_2 ; S_3 and S_{N+3} perform T_3 ; ... while S_N and S_{N+X} perform T_N). The prior art is replete with examples showing why such scaling (both increasing and decreasing the number of servers) is desirable.²

¹ See MPEP §2112 expressly authorizing alternative §102/§103 rejections when the question of inherency is present in the anticipation rejection.

² See *e.g.* Watson (U.S. 6,223,209 B1) disclosing distributed satellite world wide web servers containing identical information placed strategically throughout the Internet so as to be close to all potential clients to help reduce traffic bottlenecks; Midgely et. al. (U.S. 5,592,611 A) disclosing additional servers as a stand-in for a failed server so that client service requests are transparent to the user; Kriegsman (U.S. 6,370,580 B2) disclosing multiple servers as secondary web servers to optimize file transfers; Burns et. al. (U.S. 6,298,373 B1) disclosing cache servers which download content during off-peak hours to reduce traffic bottlenecks; Stiles (U.S. 6,219,692 B1) which discloses

In other words, a modification increasing the number of servers (e.g. having two servers perform a task previously performed by one server) is analogous to making functions, structures, or actions separable. It is the Examiner's position that when the difference between the claimed invention and the prior art is that the prior art does not disclosed an element as separable, as a matter of law, it would have been obvious to one having ordinary skill in the art to make the element separable. See MPEP §2144.04 V. C. and *In re Dulberg*, 289 F.2d 522, 523, 129 USPQ 348, 349 (CCPA 1961). As noted above, it is desirable to allocate the server tasks to various servers to help reduce bandwidth bottlenecks and to help increase the benefits from economies of scale in addition to offering increased security, excellent data management, fast response, and room for expansion.

Moreover, it is old and well known in the art that storage mediums are configured as databases. See e.g. Wolfe et. al. (U.S. 6,282,517 B1) ("Wolfe"):

Those of ordinary skill in the art will recognize that the Data Center programs, the Data Center databases, and gateway functionality may advantageously be implemented on one or more computers. These computers may be uniprocessor or multiprocessor machines. Wolfe, column 6, ~ lines 19-22.

sending essentially identical tasks to multiple servers with differing processing loads to find the most preferred server provider; Zdepski et. al. (U.S. 5,825,884) disclosing an transactional server for TV networks; *How Networks Work*, Chapter 17 describing how sever based structures benefit from economies of scale in addition to offering security, excellent data management, fast response, and room for expansion; and *How the Internet Works*, Chapter 44 implementing a server based architecture in Internet e-commerce.

In an alternative embodiment in Wolf, the Data Center storage medium **106** may be configured as a database from which information can be both stored, updated, and retrieved. For example, the database may conform to the SQL standard. In another alternative embodiment, the database may conform to any database standard, or may even conform to a non-standard, private specification. The Data Center programs may provide access to the information stored on the Data Center storage medium **106**. The Data Center storage medium **106** may be accessed by devices such as clients, servers, workstations, personal computers, and the like, connected to the network **102** or the LAN **108**. Wolfe, column 6, ~ lines 43-54.

After careful review of the entire record, especially the specification, the Examiner finds that Applicants have not asserted any new or unexpected results regarding their hardware configuration ("providing a client with said modified client database") of their server system. Absent such new or unexpected results, such modifications either increasing or decreasing the number of servers or computers or even reassigning tasks to different server(s) or computers would have helped maintain benefits from economies of scale in addition to offering increased security, excellent data management, fast response, and room for expansion while reducing both operating and capital costs.

Claims 156-224 are rejected under 35 U.S.C. §103(a) as being unpatentable over Taricani '479 in view of Wilmes et. al. (U.S. 2002/0116302 A1)("Wilmes"). Taricani '479 discloses as discussed above but does not directly disclose the postal and GPS limitations. Wilmes discloses the claimed invention including the GPS and postal information. Therefore it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Taricani '479 as taught by Wilmes and include Wilmes's taxing by location. Such a modification would have reflected a more accurate taxing method.

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It is the Examiner's position that claims 156-224 do not have express support in Applicants' provisional priority documents. Should Applicants expressly point out where support is found in their priority documents for claims 156-224 in a response that is of record, thus providing an effective U.S. filing before Wilmes, this rejection will be withdrawn.

The Examiner concludes that Applicants have decided not to be their own lexicographer by indicating and defining claim limitations to have meanings other than their ordinary and accustomed meanings. To support this position, the Examiner relies on the following factual findings. First and as noted in the previous Office Action,³ the Examiner has carefully reviewed the specification and prosecution history and can not locate any lexicographic definition(s). Second, the Examiner finds that not only have Applicants not pointed to definitional statements in their specification or prosecution history, Applicants have also not pointed to a term or terms in a claim with which to draw in those statements⁴ with the required clarity, deliberateness, and precision.⁵ Third, after receiving express notice in the previous Office Action of the Examiner's position that lexicography is not invoked,⁶ Applicants have not pointed out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (*i.e.* Applicants have not argued lexicography is

³ See the Examiner's previous Office Action mailed April 28, 2004, Paragraph No. 17.

⁴ "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, *at the very least*, point to a term or terms in the claim with which to draw in those statements. [Emphasis added.]" *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

⁵ "The patentee's lexicography must, of course, appear 'with reasonable clarity, deliberateness, and precision' before it can affect the claim." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249, 48 USPQ2d 1117, 1121 (Fed. Cir. 1998) citing *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994).

⁶ See again the Examiner's previous Office Action, Paragraph No. 17.

invoked). Finally and to be sure of Applicants' intent, the Examiner also notes that Applicants have declined the Examiner's express invitation⁷ to be their own lexicographer.⁸ Accordingly and for due process purposes, the Examiner gives notice that for the remainder of the examination process (and unless expressly noted otherwise by the Examiner), the heavy presumption in favor of the ordinary and accustomed meaning is not overcome; the claims therefore continue to be interpreted with their "broadest reasonable interpretation" *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997).⁹ The Examiner now relies heavily and extensively on this interpretation.¹⁰ Unless expressly noted otherwise by the Examiner,

⁷ *Id.*

⁸ The Examiner's requirements on this matter were reasonable on at least two separate and independent grounds. First, the Examiner's requirements were simply an express request for clarification of how Applicants intend their claims to be interpreted so that lexicography (or even an *attempt* at lexicography) by Applicants was not inadvertently overlooked by the Examiner. Second, the requirements were reasonable in view of the USPTO's goals of compact prosecution, productivity with particular emphasis on reductions in both pendency and cycle time, and other goals as outlined in the USPTO's The 21st Century Strategic Plan, February 3, 2003 available at www.uspto.gov/web/offices/com/strat21/index.htm (last accessed December 20, 2004).

⁹ See also *In re Bass*, 314 F.3d 575, 577, 65 USPQ2d 1156, 1158 (Fed. Cir. 2002) ("In examining a patent claim, the PTO must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. Words in a claim are to be given their ordinary and accustomed meaning unless the inventor chose to be his own lexicographer in the specification") (citations omitted); *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc); and MPEP §§ 2111 and 2111.01.

¹⁰ See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability [Emphasis added.]"

the preceding claim interpretation principles in this paragraph apply to all examined claims currently pending.

Functional recitation(s) using the word “for” or other functional terms (e.g. “for commodities identified by uniform commodities code” as recited in claim 157) have been considered but given less patentable weight¹¹ because they fail to add any steps and are thereby regarded as intended use language. A recitation of the intended use of the claimed invention must result in additional steps. See *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001) (Where the language in a method claim states only a purpose and intended result, the expression does not result in a manipulative difference in the steps of the claim.).

Additionally, the Examiner notes that “the PTO and the CCPA acknowledged product-by-process claims as an exception to the general rule requiring claims to define products in terms of structural characteristics.” *Atlantic Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 845, 23 USPQ2d 1481, 1490 (Fed. Cir. 1992) (hereinafter “*Atlantic Thermoplastics v. Faytex I*”). Furthermore, the Federal Circuit “acknowledges that it has in effect recognized . . . product-by-process claims as exceptional.” *Atlantic Thermoplastics v. Faytex I*, 970 F.2d at 847, 23 USPQ2d at 1491.

¹¹ See e.g. *In re Gulack*, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983)(stating that although all limitations must be considered, not all limitations are entitled to patentable weight).

Because of this exceptional status, the Examiner has carefully reviewed the claims and it is the Examiner's position that claims 156-224 *do not* contain any product-by-process limitations whether in a conventional format or otherwise. If Applicants disagree with the Examiner, the Examiner respectfully requests Applicant(s) in their next response to expressly point out any product-by-process claim(s) and their limitations so that they may be afforded their exceptional status and treated accordingly. Applicants are reminded that "even though product-by-process claims are limited by and defined by the process, determination of patentability is based on the product itself." *In re Thorpe*, 777 F.2d 695, 697, 227 USPQ 964, 966 (Fed. Cir. 1985) (citations omitted).¹² Failure by Applicants in their next response to also address this issue in accordance with 37 C.F.R. §1.111(b) or to be non-responsive to this issue entirely will be considered intent by Applicant(s) *not* to recite any product-by-process limitations. Unless expressly noted otherwise by the Examiner, the preceding discussion on product-by-process principles applies to all examined claims currently pending.

(10) Response to Argument

(1) Concerning appellants' arguments that Taricani '479, "discloses two very distinct and highly dissimilar inventions, neither of which anticipate or render obvious Appellants claimed invention [.]" (emphasis added by appellant), the examiner is of another

¹² See also MPEP §2113.

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opinion. A review of claim 1 states that the method of assessing point of sale taxation comprises the steps of: (a) accessing a database containing information relating to commodities identified by uniform commodities codes; and tax assessment information for each of said commodities for a plurality of tax jurisdictions; (b) assessing appropriate sales tax for commodities sold by point of sale transactions in at least one of said taxing jurisdictions in reliance upon said uniform commodities code information, said commodities description information and said tax assessment information stored in said database, and collecting sales tax at the point of sale. Turning now to Taricani '479, we see a method of assessing point of sale taxation comprises the steps of: (a) accessing a database (2, 2A) containing information relating to commodities identified by uniform commodities codes; and tax assessment information for each of said commodities for a plurality of tax jurisdictions (column 12, lines 30-36); (b) assessing appropriate sales tax for commodities sold by point of sale transactions in at least one of said taxing jurisdictions in reliance upon said uniform commodities code information, said commodities description information and said tax assessment information stored in said database, and collecting sales tax at the point of sale (column 12, lines 41-46; Figure 6). It is thereby clear that the method of Taricani '479 discloses a database, tax assessment information from a plurality of tax jurisdictions, and collecting sales tax at a point of sale.

(2) Appellant's arguments against the second rejection of the claims 156-170 under 35 U.S.C. 102 (b) as being anticipated by Chong '169, are considered moot, as this rejection has been dropped by the examiner.

(3) Concerning appellants' argument that Taricani '479, "neither discloses, suggests nor renders obvious Appellants' claimed tax assessment methods[.]" the examiner is of another opinion. Specifically, Taricani '479 states, "As a concrete example, if 10% of sales by a seller are to New York City, the database 2A will store records of such sales and thereby 10% of the revenues collected by the seller would be distributed to the revenue collecting agency of New York City by the revenues distribution network 9[.]" (column 12, lines 41-46). This recitation, along with the aforementioned explanation presented in the body of the rejection itself, clearly discloses, or in the alternative, renders obvious appellants' claimed tax assessment methods.

(4) Regarding appellants' cited evidence as to, "demonstrate clear support for claims 156-224 in Appellants' provisional priority documents[.]" the examiner finds the evidence non-persuasive. Examiner has reviewed the provided table and the references cited as support for the claims and found the following discrepancies: (a) appellants' cite provisional document 60/211,625, Figures 1-12 as giving support for claims 156, 157, 159-166, 171, 173-176, 178-184, 186-194, 196-205, 207, 209, 210, and 213-217 however, there is no Figure 12 present within this provisional document; and (b) appellants' cite page 11 of provisional application 60/218,196 as containing support for

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claim 170. However, claim 170 requires, “archiving said new client database on a computer-readable medium.” While the provisional states, “Upon date-tagging and saving, the respective client files are archived at step 16, a copy of the client database is returned to the client at step 18” thereby only giving support for the step of archiving and not providing support for what the database is archived on. It is for the aforementioned reasons, that examiner does not find the cited references to the provisional applications as persuasive in expressly providing support for the claims 156-224.

Furthermore, appellants’ state, in regards to claims 206, 218, and 224, that, “**No express support in provisional patent applications.**” (emphasis added by examiner). Therefore admitting that there is no support in the priority documents for those claims.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner’s answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Lindsay M. Maguire

/Lindsay M Maguire/

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